

Memorandum



Date: March 1, 2005

To: Honorable Chairman, Joe A. Martinez
and Members, Board of County Commissioners

Agenda Item No. 7(E)(1)(A)

From: George M. Burgess
County Manager

Subject: Resolution Extending Commercial Paper Program and Authorizing
Commercial Paper Notes for the Aviation Department

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) adopt the accompanying Resolution extending the Aviation Department's Commercial Paper Program (CP Program). The resolution authorizes the issuance of Miami-Dade County Aviation Commercial Paper Notes (CP Notes) in an aggregate principal amount not to exceed \$400,000,000 to finance the Capital Improvement Program (CIP). The CP Program is a means of lowering the interest cost of financing the Aviation Department's CIP using an interim financing method. While the program has been very successful, it will expire in August 2005 therefore, it is recommended that the program be continued.

BACKGROUND

On July 25, 2000, the Aviation Department instituted a CP Program in connection with its Capital Improvement Program (CIP) pursuant to County Ordinance No. 97-207 enacted November 4, 1997 and Resolution No. R-777-00 adopted July 25, 2000. Under the CP Program, \$400 million in aviation CP Notes may be outstanding at any one time and, from time to time CP Notes may be issued as needed. The authorization also allowed the County to issue Aviation Revenue Bonds from time to time to refund any outstanding commercial paper in the CP Program.

The CP Program has been very successful in reducing the cost of borrowing for the Department's capital improvement program. Since its inception, the Aviation Department has drawn a total of \$905 million under the program at a weighted average interest rate of 2.4%. By comparison, if the County had issued Aviation Revenue Bonds in lieu of using the CP Program, during the same period the average interest rate would have been 5.1%. The resultant interest savings of 2.7% has saved the County estimated \$24.7 million in interest costs. The Program, however, expires on August 1, 2005 pursuant to Resolution No. R-777-00.

For the existing CP Program, the Board appointed three Commercial Paper Dealers (CP Dealer (including one minority dealer) and one Letter of Credit Provider (LOC Provider) which consisted of three banks acting together as LOC Provider. A commercial paper dealer markets and remarkets the commercial paper notes on a continuous basis while a

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
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LOC Provider provides the liquidity necessary to support marketing and remarketing. Since the current CP authorization expires on August 1, 2005 and given the success of the existing program, it is in the best interest of the County to expeditiously solicit proposals from interested firms to serve as CP Dealers and Letter of Credit Provider to continue the commercial paper program without interruption.

Therefore, it is requested that the Board adopt the accompanying Resolution extending the CP Program and authorizing the issuance of CP Notes, after a public hearing pursuant to Section 147(f) of the Internal Revenue Code (Code).

At a later date, a resolution approving the details of the CP Program and the appointment of one or more CP Dealers and a LOC Provider will be presented to the Board for consideration.


Assistant County Manager




MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: March 1, 2005

FROM: 
Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(E)(1)(A)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Manager's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

Approved _____ Mayor

Agenda Item No. 7(E)(1)(A)

Veto _____

03-01-05

Override _____

RESOLUTION NO. _____

RESOLUTION EXTENDING AVIATION DEPARTMENT'S COMMERCIAL PAPER PROGRAM AND AUTHORIZING ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA AVIATION COMMERCIAL PAPER NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$400,000,000 AT ANY ONE TIME AND PAYABLE FROM PROCEEDS OF AVIATION REVENUE BONDS PURSUANT TO ORDINANCE NO. 97-207; PROVIDING THAT DETAILS OF SUCH NOTES SHALL BE APPROVED BY SUBSEQUENT RESOLUTION; AND APPROVING EXTENSION OF CP PROGRAM AND ISSUANCE OF CP NOTES AFTER PUBLIC HEARING AS REQUIRED BY SECTION 147 (f) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED.

WHEREAS, the Aviation Department has instituted a commercial paper program ("CP Program") in connection with its capital expansion program pursuant to Ordinance No. 97-207 enacted by this Board on November 4, 1997 ("Authorizing Ordinance") and Resolution No. R-777-00 adopted by this Board on July 25, 2000 ("Original Resolution"); and

WHEREAS, the authorization for the CP Program expires on August 1, 2005 pursuant to the Original Resolution; and

WHEREAS, it is the desire of this Board to continue the CP Program pursuant to the Authorizing Ordinance which has been successful in providing interim financing to the Aviation Department for its capital expansion program by authorizing the issuance of Miami-Dade County, Florida aviation commercial paper notes in an aggregate principal amount not to exceed \$400,000,000 at any one time and payable from aviation revenue bonds ("CP Notes"); and

WHEREAS, the Board, on this date, conducted a public hearing with respect to the extension of the CP Program and the issuance of the CP Notes in accordance with Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"), and having the benefits of

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the hearing, the Board desires to approve the issuance of the CP Notes and the extension of the CP Program as required by Section 147(f) of the Code; and

WHEREAS, it is the intent of this Board that the details of the CP Program be approved by subsequent resolution, including the selection of commercial paper dealers and letter of credit provider or providers for the CP Program,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The issuance from time to time of Miami-Dade County, Florida aviation commercial paper notes in an aggregate principal amount not to exceed \$400,000,000 at any one time and payable from aviation revenue bonds is authorized pursuant to the Authorizing Ordinance and the final details of the Notes, including the appointment of a commercial paper dealer and letter of credit provider or providers for the CP Program, shall be approved by subsequent resolution of this Board.

Section 2. A public hearing was held by the Board on the date of this resolution concerning the extension of the CP Program and the issuance of the CP Notes by the County. The time and location of the public hearing was published in the *Miami Herald*, a newspaper of general circulation in Miami-Dade, Florida, in the form attached as Exhibit "A" to this resolution. At the hearing, comments and discussion were requested concerning the extension of the CP Program and the issuance of the CP Notes. A reasonable opportunity was afforded to all persons present at the hearing. By adoption of this resolution, the Board approves, within the meaning of Section 147 (f) of the Code, the extension of the CP Program and the issuance of the CP Notes.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:


Joe A. Martinez, Chairman
Dennis C. Moss, Vice-Chairman

Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of March, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. 

Gerald T. Heffernan

By: _____
Deputy Clerk

EXHIBIT A

NOTICE OF PUBLIC HEARING

Miami-Dade County, Florida (the "County") intends to issue from time to time, pursuant to a plan of finance, Miami-Dade County Florida Aviation Commercial Paper Notes, Series A (AMT) (the "Notes") in an amount outstanding at any time not exceeding \$400,000,000 for the purpose of financing a portion of the cost of certain terminal, hotel, roadway and parking facilities, runway, hangar, maintenance, navigation, safety, fueling, cargo and other airside improvements and other airport-related capital projects approved by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") as part of the Airport's Capital Improvement Program. All such facilities and projects financed with the proceeds of the Notes shall be owned by the County and located at either **Miami International Airport**, which is bounded by N.W. 36th Street, LeJuene Road, Perimeter Road and Milam Dairy Road in Miami-Dade County; **Opa-locka Airport**, 14300 N.W. 41st Avenue, Opa-locka; **Opa-locka West Airport**, 19999 N.W. Okeechobee Road, Opa-Locka; **Kendall-Tamiami Executive Airport**, 12800 S.W. 137th Avenue, Miami; **Homestead General Aviation Airport**, 28700 S.W. 217th Avenue, Homestead; **Homestead Air Reserve Base**, 360 Coral Sea Boulevard, Homestead; or **Training and Transition Airport**, 54555 Tamiami Trail East, Ochopee.

Please take notice that the Board will hold a public hearing at ____:____.m. or as soon thereafter as may be heard, on _____, 2005 in the Commission Chambers, on the second floor of the Stephen P. Clark Center, 111 N.W. 1st Street, Miami, Florida, at which time any person may be heard regarding the facilities or projects being financed and the proposed issuance of the Notes. The documents regarding the proposed issuance of the Notes and other public records regarding the facilities and the projects being financed are in the possession of the Miami-Dade County Aviation Department and may be examined at reasonable times during business hours, 9:00 a.m. to 5:00 p.m., Monday through Friday, at the office of said Aviation Department at Miami International Airport located at Miami International Airport, Concourse E, Terminal Building, 5th Floor, Miami, Florida. This notice is given pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at this hearing, will need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, including testimony and evidence upon which the appeal is based.

Harvey Ruvin, Clerk of the Board of
County Commissioners of Miami-Dade
County, Florida